



European Union

European Structural
and Investment Funds

**European Structural and Investment
Funds
2014 - 2020**

Growth Programme for England

**D2N2 LEP Area
ESI Funds Sub-Committee
Friday 30th November
1.30pm-3.30pm**

Venue: Ashfield District Council, Urban Road, Kirkby-in-Ashfield NG17 8DA.

Item	Description
1	Apologies, Minutes of last meeting (18 th October 2018)
2	Declarations of Interest
3	Written Procedures update
4	Management Information Reports a) EAFRD b) ESF c) ERDF
5	Contract Extensions for Big Lottery Fund Opt-in
6	Growth Recommendation under ESFA Opt-In – DTS Learn Direct
7	ERDF Full Appraisal: FEAST 2
8	ERDF Full Appraisal: D2N2 Growth Hub v2.0
9	ERDF Project Change Request Extension: INSTILS 2
10	SUD Update (verbal)
11	Any other business

Item 1. Apologies, Minutes of last meeting (18th October 2018)

1.1 Apologies

The following apologies were noted:

Name	Organisation	Deputised by
Paul Harris	Rolls Royce	
Diane Beresford	East Midlands Chamber of Commerce	Paul Stuart
Cllr Jon Collins	Nottingham City Council	Cllr Dave Liversidge
Professor Kathryn Mitchell	University of Derby (HE Representative)	Professor Warren Manning
Tim George	Managing Authority DWP (ESF)	
Michael Henry	Community Sector	
Matthew Easter	Sustrans	
Elizabeth Fagan	D2N2 LEP	
Dawn Ward	FE representative	James Whybrow

Nicki Jenkins	Nottingham City Council	Chris Henning
Peter Gadsby	Ark Capital Ltd	

1.2 Welcomes

Professor Warren Manning, Cllr Dave Liversidge, and Paul Stuart were welcomed as this was their first ESIF sub-committee attendance.

1.3 The Chair (Anna Vinsen) asked for confirmation that the minutes of the last meeting were accurate.

It was noted that the action recorded for agenda item 4c was a duplication of the action for agenda item 3 in the minutes. This will be amended.

Other than the above, the minutes were agreed to be accurate and were therefore approved as an accurate record of the meeting.

1.4 Matters arising

There were no matters arising.

1.4 Actions from the meeting 18th October 2018

Progress of actions:

Agenda Item from 18 th October 2018 meeting	Action identified from 18 th October 2018 meeting	Action update at 30 th November 2018 meeting
2	Members and alternates to send completed declaration of interest forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk	Ongoing - blank forms were available at the meeting and a number of completed forms were collected.
3	AV to meet with Cllr Poulter to discuss the use of written procedure	AV met with Cllr Poulter and Cllr Mick Barker to discuss process for Full appraisals that are considered at the meetings or via written procedures. Follow up actions: a) to review future meeting schedule with LEP representatives and the other MAs with the possibility of decoupling LEP Board and this

		<p>ESIF sub-committee. This will allow the sub-committee meetings to be scheduled to align with the business of this sub-committee. This was with an aim of reducing the number of appraisals required to be considered by Written Procedures.</p> <p>b) The sub-committee could choose to utilise the strategic review group to provide advice for full appraisals circulated via written procedures</p> <p>c) In written procedures, Mas to make clear any changes from strategic fit or value for money since the project was reviewed by sub committee at the outline stage.</p>
4c	MW to talk to DWP to provide local output performance data at subsequent meetings.	MW had requested DWP to provide an update of performance data for this meeting but as DWP are prioritising the processing of claims to achieve N+3 they would not be able to respond until January 2019
6	RQ to circulate analysis of performance targets identified in applications via Written Procedures before the next meeting.	Covered at Item 5 on this agenda
6	RK Write to DWP to request performance data relating to the active contracts.	See item 4c action above
7	RK to provide high level performance data for ESFA contracts at the next sub-committee meeting.	Covered at Item 6 on this agenda

Item 2 Declarations of Interest

AV said that MHCLG are continuing to carry out a refresh of the Register of Interests for the Midlands ESIF Sub-committees so that a record for 2018 is in place for each member. Declaration of Interest Forms were circulated prior to the meeting, and members were reminded to send their completed forms back to the secretariat.

Declarations of interest were taken at each item as it was discussed on the agenda and collated in the table below:

Agenda Item No	Agenda Item	Members declaring Interest
Item 3	Written Procedures update	None
Item 4	Management Information Reports a) EAFRD b) ESF c) ERDF	None
Item 5	Contract Extensions for Big Lottery Fund Opt-in	Cllr Dave Liversidge Cllr Reg Adair Nicola McCoy-Brown Cllr Garry Hickton Cllr Chris Poulter Paul Stuart Cllr Mick Barker Jem Woolley Chris Henning
Item 6	Growth Recommendation under ESFA Opt-In – DTS Learn Direct	James Whybrow
Item 7	ERDF Full Appraisal: FEAST 2	None
Item 8	ERDF Full Appraisal: D2N2 Growth Hub v2.0	Cllr Garry Hickton Cllr Dave Liversidge Cllr Chris Poulter Cllr Mick Barker Matt Wheatley Richard Kirkland Paul Stuart Cllr Reg Adair Rachel Quinn Jem Woolley Chris Henning Nicola McCoy Brown
Item 9	ERDF Project Change Request Extension: INSTILS 2	None
Item 10	SUD Update (verbal)	None

Action: Members and alternates who have not completed declaration of interest forms to forward completed forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk

Item 3. Written Procedures update

Anna Vinsen reported that the following had been circulated using written procedures:

Two letters for Dr Catherine Blair (26/10/2018 and 13/11/2018) relating to ESF uplift and the prioritisation of claims processing to meet N+3. DWP would be meeting with LEP Leads in December to discuss plans to commit the remaining LEP area ESF allocation.

Item 4. Management Information Reports

4 a) EAFRD – Anna Vinsen on behalf of Melanie Fischer EAFRD Managing Authority

AV provided an update as follows:

From the three national calls which ran from Jan 17 to May 18 for tourism, food processing and business development there had been 75 expressions of interest presented for advice, and based on this 58 projects had been invited to make full applications. 16 full applications had been received for D2N2 with one further full application being approved since the last meeting taking the total approved applications to 9.

RPA colleagues do not expect any further calls to be launched and therefore no additional expressions of interest will be presented to the sub-committee for advice.

The management information provided with the update reported on progress of the allocation, spend and drop out rates.

Action: A question was raised as to whether the LEP area could swap funding between the calls to better reflect the value of applications received. MW agreed to gain advice from DEFRA and advise the the sub-committee.

4 b) ESF – Anna Vinsen on behalf of Tim George (ESF) DWP Managing Authority

AV provided an update on behalf of Tim George for DWP on ESF as follows:

Nationally the programme is 48% committed. DWP have been concentrating on processing sufficient claims to meet N+3 and are forecasting to achieve this target. Committed outputs were also reported at 48% in line with the level of expenditure.

Regionally there were 2 open calls:

1. Careers and Employability Service for those at risk of becoming NEET in the D2N2 LEP area – closing date 16 Jan, under investment priority 1.2 with a value of £1m
2. Access to employment for jobseekers and inactive people in D2N2 LEP area – closing date 28 Dec, under investment priority 1.1 with a value of £8.1m

A further call is in development under IP1.4.

Re DWP Opt In – extensions would depend upon the achievement of performance criteria at end November.

BLF Opt In – was to be covered at agenda item 5

ESFA Opt In – following advice from this sub-committee, ESFA have submitted PCRs to extend activity under those IPs where the sub committee advised that provision continues to offer strategic fit. The ESF Managing Authority assessment needs to gain advice from the sub-committee– either by written procedure or through delegated authority to a LEP officer.

ACTION: Sub-committee members requested that advice on ESFA PCRs should be sought from the sub-committee either as an agenda item on a future meeting or as written procedures.

ACTION: Sub-committee members requested performance data from ESFA. RK advised that updates were received on a quarterly basis and took an action for the LEP to circulate these reports to all sub committee members going forward.

4 c) ERDF – Anna Vinsen MHCLG, ERDF Managing Authority

Anna Vinsen MHCLG presented an update paper for ERDF as follows:

Building on feedback from last sub-committee, a report which reflects successes under ERDF was provided.

AV reported that N+3 spend targets have been met at national, regional and D2N2 level.

The D2N2 suite of projects have exceeded the 2018 performance framework output targets for all priority axis with the exception of PA6, although there is another quarter of activity to come through in the reporting period. AV reported that a PA6 project working to improve biodiversity was anticipated to report the 11 hectares required to meet the performance framework target under PA6 by close December.

AV reported that there have been 3,030 business assists of more than 12 hours or £1,000 recorded from the D2N2 suite of projects. This is 2 and half times the aggregate 2018 business assist Performance Framework target for D2N2. Overall, actual outputs were reported as ahead of profile.

AV reported that the D2N2 2018 Performance Framework Spend targets were exceeded for all PAs with the exception of PA4 (at 45.3% of target) and PA5 (11.5%) of target. Delivery under these PAs has been difficult across the country.

Calls under all PAs in D2N2 were launched on 5 October 2018 enabling projects to apply and meet the remaining balance outside of the SUD allocation. Calls closed Friday 23 November. 15 applications were received, seeking £26m against an combined call value of £19m. Assessments are being progressed in readiness for the next sub committee planned for late January early February 2019.

Sub-committee members requested clarification regarding the use of LEP funds for oversubscribed applications and the viring of un-committed funds between PAs. AV reported that there was one further call in March 19 at the LEP level, and that after that any unallocated funds would be diverted to a national reserve fund that D2N2 projects could apply to under a

national call in November 2019. AV also reported that should a greater value of projects be selected under the October calls than the balance available, it would be possible to create a reserve list, with the ability to call off projects if further funds became available through underspend at the LEP level.

AV confirmed that the level of funds within each priority axis was agreed with the Commission via the operational programme, and it was not possible to vire funding between the priority axes, without agreeing a modification with the Commission. Two previous modifications had been agreed which included requested changes at the LEP level. It was unlikely that further changes would be agreed prior to the last call at the LEP level in March; there was also a minimum value which needed to remain in PA4.

Members raised a concern that a gap in delivery may result where applications for Phase 2 continuation funding were not approved in good time. AV noted that the MA were aware of this risk, and were prioritising appraisals where the end date of the current project was imminent. She advised that applicants may seek retrospection and may deliver at risk. Full applications would be considered at the next ESIF sub-committee meeting in early 2019 or be circulated for advice by written procedure prior to that meeting to avoid delays.

Item 5. Contract Extensions for Big Lottery Fund Opt-in

RQ presented BLF data (up to Q1 2018) which was verified and also presented further updated data that had not yet been verified but was helpful for the sub-committee members to review.

RQ presented the current position across the three projects operating under the BLF Opt-in Investment Priority 1.4 Building Better Opportunities (BBO).

The ESIF sub-committee were asked to consider the following recommendation:

LEP officers recommended that the offer of the opt-in contract extension for the three BBO programmes until 2023 is progressed with Big Lottery. BBO provision provides valuable services to those furthest away from employment and provides solutions to addressing individual barriers to progression. The total cost for extending the contracts will be £5,270,145 from the investment priority 1.4 D2N2 ESIF allocation. It is affordable within the current resources still available in investment priority 1.4. It will support achievement of financial and participant performance framework targets for 2023 and will have no impact on plans agreed by ESIF committee for the second half of the programme for this investment priority. By exploring the Big Lottery opt in extension offer it will provide solutions to difficulties in securing match for this investment priority area.

Sub-committee members considered the recommendations and the additional data presented at the meeting. The recommendation to extend for a further 6 months to take up underspend was supported. However, the members felt that the analysis did not provide sufficient assurance that performance targets were being met, or provide sufficient information on what outputs and results would be delivered under the extension to 2023 to agree in the meeting to the further investment up to 2023.

Sub-committee members requested that further detail on performance to date should be provided via written procedure with information on the additional outputs and results being offered to justify further investment. RQ agreed to provide a paper via written procedures providing the above to enable an informed decision regarding value for money for each programme: 'Opportunity and Change', 'Towards work' and 'Money Sorted' programmes. As requested by the sub-committee, the paper would also clarify the consequences of supporting or rejecting the requests.

It was noted that the advantage of the BLF offer was that match was provided. BLF were not offering to bring forward any new project opportunities, so the extensions were the only route to benefit from the match on offer. If the extensions did not go forward, this would increase the value of funds to be committed via open calls where there was a risk that insufficient match would be identified.

Sub-committee members asked if performance data could be disaggregated by district. RQ suggested that this was possible but not within the current timescale for this written procedure. Data could be made available to the Provider Delivery Group or direct to local stakeholders on request.

Action – RQ to produce written procedure re the extension of the BLF Opt-in BBO programmes to include advice to sub-committee members regarding value for money and consequences of supporting or not supporting recommendations – Decisions regarding the extension would be submitted to BLF by end of December 2018.

Item 6. Growth Recommendation under ESFA Opt-In – DTS Learn Direct

RK presented a paper seeking sub-committee members support regarding a growth recommendation for ESF Contract 222 DTS – Learn Direct.

At the 18 May 2018 meeting, ESIF sub-committee discussed the offer from the ESFA to extend the opt in arrangements to current programmes by value (up to 50% of the original ITT value) to allow for continuation of provision until 31 March 2019. This continued the discussion held with the ESFA at the extraordinary general meeting held on the 4 May 2018.

Following discussion the ESIF sub-committee agreed to the recommended growth amounts for individual contracts in the table below based upon the LEP officers projections of current contract performance to guarantee provision to March 2019.

Currently DTS have a total of £403,948 remaining on their existing contract which has a total of £1,595,890. DTS are also seeking additional funding to support delivery of regulated and non-regulated learning which have proved popular with SME's and will guarantee skills provision within this contract to March 2019.

Additional funding would also allow for the continuation of sector skills plans activity for SME's across the 11 sector skills plans that have been developed such as workshops aimed at training micro businesses in the creative and digital sector to increase skills and productivity; sector specific leadership & management training and cross sector activity such as support for SME's on identifying apprenticeship opportunities through tailored apprenticeship development plans.

Therefore, LEP skills officers are in favour of granting growth but only up to the funding envelope previously agreed by ESIF committee of £278,766 for this contract. This will ensure provision is maintained at current performance levels until March 2019 until new provision is procured by ESFA opt in for skills support for the workforce. LEP skills officers will work with ESFA and DTS to ensure there is a clear future emphasis on achieving all deliverables contained in the contract.

The recommended growth of £278,766 will not require an increase in the existing MoU with the ESFA but a business case will be required to be considered by the sub-committee. Sub-committee members stated that the business case for the £278,766 should reflect a focus on progression.

Action: RK to request a business case from DTS Learndirect up to a ceiling of £278k with emphasis on progression.

Item 7. ERDF Full Appraisal: FEAST 2

Sub-committee members received an overview of the full appraisal of FEAST 2. The sub committee agreed that the project still offered strategic fit and value for money and the application was endorsed to proceed to Grant Funding Agreement with no further recommended conditions.

Item 8. ERDF Full Appraisal: D2N2 Growth Hub v2.0

Sub-committee members received an overview of the full appraisal of D2N2 Growth Hub v2.0 . The sub committee agreed that the project still offered strategic fit and value for money and the application was endorsed to proceed to Grant Funding Agreement with no further recommended conditions.

Item 9. ERDF Project Change Request Extension: INSTILS 2

Sub-committee members received an overview of the Project Change Request for the continuation of the INSTILS project to Phase 2. The sub committee agreed that the project still offered strategic fit and value for money and the project change request was endorsed to proceed to a Funding Agreement Variation to extend the Phase 1 project with no further recommended conditions.

AV clarified that where a project sought funding for an extension it was still required to submit an outline application under an open call. However, following selection of the outline, in cases where there were no significant changes to the activity, investment priorities, or LEP areas

covered under the extension, it was possible for the Managing Authority to invite a project change request, in place of a full application, which would be appraised and then presented to the sub-committee. If selected, the activity would then be contracted through a variation to the original contract. Where there were significant changes, then the applicant would need to submit a full application, which would follow the normal route to a new funding agreement. INSTILS 2 was an example of the project change request route. FEAST2 and D2N2 Growth Hub 2.0 were examples of the full application route.

Item 10. SUD Update (verbal)

JW provided a verbal update on progress of the 4 SUD applications. 4 projects were continuing to be appraised by the MA at a value of £9.6m against the total SUD allocation of £11.3m.

The next SUD committee Jan will receive a request for a new call which may focus on PA2 and PA4 but would be reviewed at that meeting. It was reported that if there was improved flexibility of criteria for PA4 it may enable more applications to be submitted.

Item 11. Any other business

Action: AV to agree a schedule of future meeting dates with the LEP to reflect the ESIF sub-committee business and circulate to members.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
1.5 (3a)	To review future meeting schedules with LEP representatives with the possibility of decoupling LEP Board and this ESIF sub-committee.	AV
1.4	The sub-committee to utilise the strategic review group to provide advice for written procedures in relation to changes from Outline to Full application re strategic fit and vfm.	AV
2	Members and alternates who have not completed declaration of interest forms to forward completed forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk	All
4a	To gain advice from DEFRA and advise the the sub-committee if the LEADER programme was to be reactivated; and whether funding can be moved between the calls to better reflect the value of applications selected.	MW
4b	The ESF Managing Authority assessment of ESFA PCRs should gain advice from the sub-committee either as an agenda item on a future meeting or as written procedures.	
4b	The LEP to circulate the quarterly performance reports they receive on Opt Ins to ESIF Sub-committee members from now on.	RK
5	To circulate written procedure re the extension of the BLF Opt-in BBO programmes to include advice to sub-committee members regarding value for money and consequences of supporting or not supporting recommendations – Decisions to be submitted to BLF by end of December 2018.	RQ
6	To seek business case from DTS Learndirect up to a ceiling of £278k with emphasis on progression to be circulated for member comments.	RK
7	To agree schedule of meetings with the LEP for 2019 and circulate to members.	AV

Annex 01: Summary of Projects Considered by Members at Full Appraisal Stage

Project name: FEAST 2	Application organisation: Food and Drink Forum
ERDF Programme Priority Axis: 3	ERDF Investment Priority: 3d
Total Project Value: £3,934,176	Total ESIF Sought: £1,967,089
Summary of discussion Sub-committee members received an overview of the full appraisal of FEAST 2 with advice regarding strategic fit and value for money.	
Advice of the sub-committee The application was endorsed to proceed to Grant Funding agreement with no further conditions.	
Additional conditions suggested None	

Project name: <u>D2N2 Growth Hub v2.0</u>	Application organisation: Nottingham City Council
ERDF Programme Priority Axis: 3	ERDF Investment Priority: 3c
Total Project Value: £12.2m	Total ESIF Sought: £6.08m
Summary of discussion Sub-committee members received an overview of the full appraisal of D2N2 Growth Hub v2.0 with advice regarding strategic fit and value for money.	
Advice of the sub-committee The application was endorsed to proceed to Grant Funding agreement with no further conditions.	
Additional conditions suggested None	

Annex 02: Summary of Projects considered by members as Project Change Request for a Phase 2 Extension.

Project name: INSTILS	Application organisation: Medilink
ERDF Programme Priority Axis: PA1	ERDF Investment Priority: 1b
Total Project Value: £7,393,742.00 (Total for Phase 1 & Phase2)	Total ESIF Sought: £3,696,871.00 (Total for Phase 1 & Phase 2)
<p>Summary of discussion Sub-committee members received an overview of the Project Change Request for the continuation of the INSTILs project to Phase 2 with advice regarding strategic fit and value for money.</p>	
<p>Advice of the sub-committee The application was endorsed to proceed to a Funding Agreement Variation to extend the Phase 1 project with no further conditions.</p>	
<p>Additional conditions suggested None</p>	

Appendix B Attendee List

Name, title and organisation	Sector/Organisation Representing
Anna Vinsen (AV)	Managing Authority ERDF (MHCLG)

Sub-Committee Members attending:

Name, title and organisation	Sector/Organisation Representing
Matt Wheatley (MW)	D2N2 LEP
Cllr Chris Poulter (Cllr CP)	Derby City Council
Cllr Garry Hickton (Cllr GH)	Derbyshire County Council
James Whybrow (JW)	FE Representative
Paul Stuart (PS)	East Midlands Chamber of Commerce
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council
Nicola McCoy-Brown (NMcb)	Nottinghamshire County Council
Cllr Mick Barker (Cllr B)	Derby City Council
Jane Howson (JH)	VCSE Representative
Professor Warren Manning (PWM)	HE Representative(University of Derby)
Cllr Dave Liversidge (Cllr DL)	Nottingham City Council
Chris Henning (CH)	Nottingham City Council

Others in attendance (non-members - including secretariat):

Name, title and organisation	Sector/Organisation Representing
Yvonne Dickinson (YD)	MHCLG
Sarah Edwards (SE)	MHCLG
Dawn O'Brien (DOB)	MHCLG
Jem Wooley (JW)	Greater Nottingham SUD

Richard Kirland (RK)	D2N2 LEP
Rachel Quinn (RQ)	D2N2 LEP

Apologies:

Name, title and organisation	Sector/Organisation Representing
Paul Harris (PH)	Rolls Royce
Diane Beresford (DB)	East Midlands Chamber of Commerce
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Professor Kathryn Mitchell (PKM)	University of Derby (HE Representative)
Tim George (TGeo)	Managing Authority DWP (ESF)
Michael Henry (MH)	Community Sector
Matthew Easter (ME)	Sustrans
Elizabeth Fagan (EF)	D2N2 LEP
Dawn Ward (DWard)	FE representative
Nicki Jenkins (NJ)	Nottingham City Council
Peter Gadsby (PG)	Ark Capital Ltd

Dates and times of next meetings

To be advised